
Tourism aids technology-based firms

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Why should people involved with local technology-based businesses care about the health of the Tri-Cities tourism industry? The two seem worlds apart, yet tourism can have a profound impact on a community's ability to attract and keep businesses of all kinds.

According to international tourism consultant Greg Gilstrap, "tourism can be key to creating competitive advantages for many forms of development that benefit technology businesses," including service industries, retail and major industry clusters. In his keynote address to the Tri-Cities Visitor and Convention Bureau's annual meeting last month, Gilstrap likened tourism to an "economic river that constantly flows through a community," nourishing the economic base and providing a catalyst for amenities enjoyed by residents and visitors alike.

For example, Gilstrap said the visitor industry can lead to greater and more affordable transportation options that benefit resident businesses because airlines create flight choices in part to meet the tourism market. Amenity improvements cited by Kris Watkins, bureau president and chief executive officer, include the Kennewick convention center, the CREHST Museum-Hanford Reach interpretive center, golf courses and various riverfront projects.

Amenities make a difference

"By making the local market more attractive, economic development entities often find that it is much easier to recruit employers and employees," Gilstrap said. According to Bill Martin, president of the Tri-City Industrial Development Council, "It is safe to say that no new business will locate here without visiting the area during their decision process. And those first impressions can be important."

Businesses considering expansion or relocation are first and foremost interested in their ability to make a profit, Martin said. "Things like labor costs and availability, utility and transportation costs and site and construction costs are by far the most important factors in a businesses decision," he continued.

"However, there are several communities that could provide a profitable location for any business. That's where things like the entertainment value brought by tourism become important and, possibly, a deciding factor," Martin said.

A 1999 study of the high-tech economy by the Milken Institute, a think tank in Santa Monica, Calif., showed that tax breaks and other incentives can be critical to a location decision. But quality of life issues tend to replace incentives when a business decides whether to expand or stay in a particular area.

Occasionally there is a direct link between business needs and visitor amenities, such as the growing network of loop trails along the Columbia River. John Butterfield, CEO of GateSkate, noted that the area's developed and undeveloped "trailscape" remains a key factor in the all-terrain skate manufacturer's location in the

Tri-Cities. Butterfield, a Florida transplant, also singled out the “courtesy and friendliness of the people around here” as an intangible amenity that has a big impact on visitors – and his customers.

Easing local taxes

According to the Travel Industry Association of America, “It’s the ripple effect of traveler spending that really makes tourism important.” The association estimates that meeting attendees spend an average of \$1000 during a three-day stay in a community and that 87 percent of visitor spending goes to local small businesses. New figures from the Washington State Office of Trade & Economic Development show that in 2001 tourism generated \$237.7 million in Benton and Franklin counties. Tourism contributed \$3.8 million in local taxes for the counties, a 139 percent increase since 1991.

“People often overlook the tax-generating impacts of tourism spending,” said Watkins, president and chief executive officer of the Tri-Cities Visitor & Convention Bureau. That “outside” money eases the local individual and business tax burden and helps support schools, emergency services, recreational facilities and other infrastructure essentials, Watkins said.

Recognition of the synergy that can occur between tourism and economic development is visible at multiple levels. The State of Washington combines the two in one department. “Only 25 percent of the bureau members are directly associated with the visitor industry,” Watkins said. For example, TRIDEC and bureau representatives sit on each other’s boards, and leaders throughout the community collaborate in both organizations.

Creating visibility for a community also helps by raising awareness and acceptance of the area’s attractions. Watkins noted that in the past year, the bureau generated 183 magazine and newspaper stories, reaching an audience of 19.2 million people with a positive Tri-Cities story.

What can tech businesses do to advance or maintain that synergy? Watkins encouraged them to get involved by supporting projects aimed at improving or expanding the amenities that their out-of-town visitors enjoy, such as recreational activities, performing arts, restaurants, museums and shopping. “Take a look at your community through the eyes of a tourist,” Gilstrap urged. “The Tri Cities have a lot to offer, and you should be ready and eager to share those features with all visitors.”